Claims:

Please cancel all of the claims of record and substitute new claims 1 through 20 as follows:

1. A method for specifying a collateral loss payment as a mathematical function of the recovery on one or more coverage parts of an insurance policy or group of insurance policies that are written by an insurer, using a contract that enables an exchange of money between two parties, where said insurer is a coverage buyer,

   whereby simple and cost efficient coverage may be provided for losses that are expensive to define or prove.

2. The contract of claim 1 that is structured as one or more provisions in any type of non-insurance contract.

3. The contract of claim 1 where said contract's loss payment is proportional to the losses recovered under said coverage parts of an insurance policy or group of insurance policies.

4. The contract of claim 1 where said contract's loss payment is nonproportional and scaled based on the size of the losses recovered under said coverage parts of an insurance policy or group of insurance policies.

5. The contract of claim 1 where said loss payment is based on said coverage parts of an insurance policy or group of insurance policies that protect against casualty losses.

6. The contract of claim 1 where said loss payment is based on said coverage parts of an insurance policy or group of insurance policies that protect against property losses.
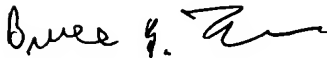
7. The contract of claim 1 where said loss payment is based on said coverage parts of an insurance policy or group of insurance policies that protect against health losses.

8. The contract of claim 1 where said loss payment is based on said coverage parts of an insurance policy or group of insurance policies that protect against workers' compensation losses.

9. A method for specifying a collateral loss payment as a mathematical function of the recovery on one or more coverage parts of a reinsurance policy or group of reinsurance policies, using a contract that enables an exchange of money between two parties, whereby simple and cost efficient coverage may be provided for losses that are expensive to define or prove.

10. The contract of claim 9 that is structured as one or more provisions in any type of non-insurance contract.

11. The contract of claim 9 where said contract's loss payment is proportional to the losses recovered under said coverage parts of a reinsurance policy or group of reinsurance policies.

12. The contract of claim 9 where said contract's loss payment is nonproportional and scaled based on the size of the losses recovered under said coverage parts of a reinsurance policy or group of reinsurance policies.

13. The contract of claim 9 where said loss payment is based on said coverage parts of a reinsurance policy or group of reinsurance policies that protect against casualty losses.

14. The contract of claim 9 where said loss payment is based on said coverage parts of a reinsurance policy or group of reinsurance policies that protect against property losses.

15. The contract of claim 9 where said loss payment is based on said coverage parts of a reinsurance policy or group of reinsurance policies that protect against health losses.

16. The contract of claim 9 where said loss payment is based on said coverage parts of a reinsurance policy or group of reinsurance policies that protect against workers' compensation.

17. A method for predefining acceptable combinations of collateral loss payments and premiums, using mathematical functions of the losses paid by and the premiums paid for one or more coverage parts of a reinsurance policy or group of reinsurance policies,

   whereby simple and cost efficient coverage may be provided for losses that are expensive to define or prove without the need for extensive negotiations.

18. The method of claim 17 that is used to structure one or more provisions in any type of non-insurance contract.

19. The method of claim 17 where said loss payments are proportional to the losses recovered under said coverage parts of a reinsurance policy or group of reinsurance policies.

20. The method of claim 17 where said loss payments are nonproportional and scaled based on the size of the losses recovered under said coverage parts of a reinsurance policy or group of reinsurance policies.

Conditional Request for Constructive Assistance

Applicants have amended the specification and claims of this application so that they are proper, definite, and define novel structure which is also unobvious. If, for any reason this application is not believed to be in full condition for allowance, applicants respectfully request the constructive assistance and suggestions of the Examiner pursuant to M.P.E.P. § 707.07(j) in order that the undersigned can place this application in allowable condition as soon as possible.

Respectfully,

Bruce Bradford Thomas
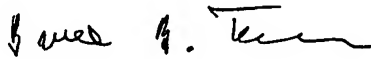145 Lake Avenue
Trumbull, CT 06611
203-445-0830

Lester Ware Preston, III

Certificate of Mailing: I certify that this correspondence, and attachments, if any, will be deposited with the United States Postal Service by First Class Mail, postage prepaid, in an envelope addressed to "Commissioner for Patents, PO Box 1450, Alexandria, VA 22313-1450.

2005 October 3

Bruce Thomas, Applicant